

The Federal Flyer

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Emphasis Areas for 1999

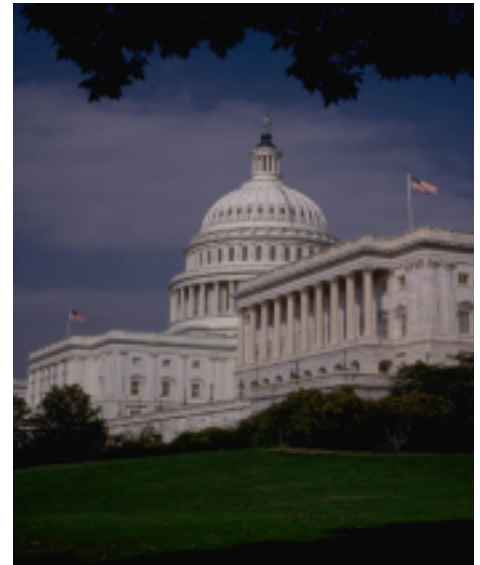
- Enhance Texas Aviation Funding Through FAA Reauthorization
- Restore SIB Funding Authority
- Bring More \$ Back to Texas for Transportation
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End of Session Wrap-Up *Highlights of 1999*

In this issue of the ***Federal Flyer*** we will provide an overview of the key transportation issues that we have covered since the beginning of the 106th Congress. The 106th Congress has ended its first session of legislative business and we now take a look at what has been accomplished in the past year.

We are currently in the process of preparing for the second session of the 106th Congress, which will have the responsibility for preserving the gains made in TEA 21 as well as tackling a multi-year reauthorization of the Airport Improvement Program and the annual appropriations process.

We have enjoyed bringing you the ***Federal Flyer*** and we hope that you have found the information in this newsletter useful in your work. As we prepare for the next session of Congress, we look forward to bringing you the latest news and analysis of key federal transportation issues affecting Texas.



The ***Federal Flyer*** is a publication of the TxDOT Legislative Affairs Office. It is intended to provide up-to-date information on major legislative activities in the 106th Congress for the management of the Texas Department of Transportation, state leaders, and others interested in Texas transportation issues. This report will also feature key activities in the national transportation community. Sources include news services and staff reports.

Coby Chase, Director of Legislative Affairs, serves as publisher and can be reached at (512) 463-6086. The department's federal legislative analysts are Joe Guzzo (202-638-3927), Tonia Norman Ramirez (512-463-9957), and David Soileau (512-463-6081). Please contact any of the staff for information on federal transportation and legislative issues.

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Clinton Proposes to Change TEA 21's RABA Provision

TEA 21 included new language linking highway authorizations and obligation limits to receipts in the Highway Account of the Highway Trust Fund. Any Highway Account revenues beyond expectations were to increase spending on highways.

The Clinton Administration's FY 2000 budget proposes to send only \$388 million of the \$1.5 billion in increased budget authority to Federal-aid highway and highway safety construction programs. The remainder is proposed to be shared among FTA, FRA, the CMAQ program, NHTSA, and other non-formula programs.

Congressional leaders have pledged to fight this budgetary change, to prevent TEA 21 funds from being spent other than as authorized.

AIR 21

House Committee Unveils AIR 21

The House Transportation and Infrastructure Committee in March introduced and the Aviation Subcommittee marked up its multi-year reauthorization for the Federal Aviation Administration (FAA) and its airport improvement and operations programs.

The bill (H.R. 1000) represents the committee's determination that the Aviation Trust Fund be taken off-budget so that all available revenues can be used to improve the nation's aviation system. Entitled the "Aviation Investment and Reform Act for the 21st Century," or AIR 21, H.R. 1000 would spend approximately \$90 billion in federal funds over five years to upgrade U.S. airport and air traffic control facilities.



Senate Passes Two-Month AIP Extension

The United States Senate on March 17 approved a short-term extension (S. 463) to keep the nation's airport improvement funds flowing to the states through May 31, 1999. The current authorization runs out March 31st, and senators need more time to debate a continuing argument over a longer-term reauthorization measure (S. 82). In addition to passing S. 463, the Senate also amended H.R. 99, the House's 6-month extension bill, to include its two-month extension and passed the bill on voice vote.

Texas Receives \$14 Million in Border/Corridor Funding

U.S. Secretary of Transportation Rodney Slater in late May announced the award of \$123 million in two FY 1999 discretionary programs authorized under TEA 21. The National Corridor Planning and Development and Coordinated Border Infrastructure discretionary programs provide funding to enhance the flow of trade traffic on major international trade corridors throughout the United States and at border crossings.

Five Texas projects were selected for partial funding. They include four along the border with Mexico and one at a choke point on Interstate 35. Texas will also benefit from two multi-state projects—one to study ITS improvements on I-35 and the other to develop environmental studies for Interstate 69.

"Texas fared well in this fierce national competition," said Texas Commissioner of Transportation David Laney. "We have to be persistently aggressive in our efforts on all fronts to improve our border trade infrastructure and we heartily welcome any relief from the federal level."

Texas received more funding than any other state in this first year for these discretionary programs. However, as 1999 progresses, Texas would only receive about 35 cents on the dollar return in all highway discretionary programs.



Senate Appropriators Pass FY 2000 Transportation Bill

The full Senate Appropriations Committee in late May passed its Fiscal Year 2000 spending bill for the U.S. Department of Transportation and Related Agencies. The bill provides a total of \$48.8 billion in budgetary resources for the transportation portion of the federal budget.

The plan appears to honor the funding promised by TEA 21 for highways and transit programs. The higher spending levels for these two programs put a squeeze on other transportation spending categories, with funding for FAA programs kept particularly low. Senator Slade Gorton (R-WA), chairman of the Senate aviation subcommittee and a member of the Appropriations Committee, stated that the highest priority should be given to Airport Improvement Program (AIP) funding for any additional money that becomes available to the transportation subcommittee.





Despite Amendment Attempts, House Approves AIR 21

Facing serious threats to its passage, H.R. 1000 (AIR 21) made it out of the House virtually unscathed. The House voted 316 to 110 in June to pass the bill and its \$57.3 billion in funding on to the Senate for consideration.

House transportation leaders fought off several proposed amendments that would have effectively gutted the bill's spending levels and funding options. The most serious threat came from the leaders of the House Budget, Appropriations, and Ways and Means Committees. This amendment would have removed AIR 21's off-budget treatment for the Aviation Trust Fund and eliminated the \$3 billion annual contribution from the General Fund for aviation services. The House voted 179-248 to defeat the amendment.

Attention now turns to the Senate, where the Senate bill (S. 82) has not yet been scheduled for consideration by the full Senate.



House Passes FY 2000 Transportation Bill

The U.S. House of Representatives in late June voted 429-3 to overwhelmingly approve H.R. 2084, its Fiscal Year 2000 spending bill for the U.S. Department of Transportation and Related Agencies. The bill met little resistance as it moved through the House; however, passage of a similar measure in the Senate is likely to be more difficult.

The House bill provides increased funding for highways, transit, traffic safety, Coast Guard, Amtrak, and aviation programs. The measure follows TEA 21 for increased highway and transit spending. The Senate's FY 2000 spending bill (S. 1143) generally provides the same increases in funding as the House measure; however, it contains a controversial provision that affects the distribution of transit funding among the states. It is this provision that New York and California senators strongly oppose.



Senate Committee Holds Transportation Conformity Hearing

The Senate Environment and Public Works Committee held a hearing on July 14 to hear testimony on whether or not the Congress should reinstate certain transportation conformity regulations struck down recently by a D.C. Circuit Court. The regulations, promulgated jointly by

EPA and FHWA in 1997, provided flexibility for regional transportation planning in non-attainment areas. The D.C. Circuit Court ruled on March 2, 1999 that the regulations were invalid and required congressional action if they were to be reinstated.

Committee Chairman John Chafee (R-RI) called the hearing to get an understanding of how this court action has affected the ability of states and localities to plan and provide transportation options while still striving to meet air quality goals. Witnesses were mixed in their opinions about the need for congressional action.

House Budget Hawks Attack TEA 21 Firewalls

At a House Rules Committee hearing in late July, Congressmen David Obey (D-WI) and John Spratt (D-SC) criticized TEA 21's special budgetary treatment as unjustified and harmful to the budget process. Discussion before the committee centered on a key element of TEA 21's "guaranteed spending" mechanism: a provision creating a special point of order to enforce "firewalled" spending. Rules committee members expressed concern that the point of order would prevent amendments that would cut highway project funding or otherwise change spending levels in TEA 21 programs.

T&I Chairman Bud Shuster (R-PA) and Congressman James Oberstar (D-MN) strongly defended the TEA 21 firewalls. Shuster described TEA 21's budgetary mechanisms as the result of three years of work and as representing a compromise with many GOP leaders. The firewalls, Shuster said, are a significant departure from the T&I Committee's original proposal to take the Highway Trust Fund off-budget.



Senate Effort to Reinstate SIB Authority at Risk

Prospects for reinstating Texas' authority to use federal highway and transit program funds for its State Infrastructure Bank (SIB) appear to be dimming as the Senate perceives little support and much opposition to expanding the current SIB program without changes to the program's labor provisions.

Senator George Voinovich (R-OH) introduced S. 11444, the Surface Transportation Act of 1999, which would reinstate the SIB Program created in the NHS Act, give states flexibility in funding Congressional High Priority projects, and allow states more flexibility in using their federal-aid highway apportionments and transit funds.

Labor interests perceive the NHS SIB program as limiting Davis-Bacon Act prevailing wage provisions. Chafee sees labor's opposition to the SIB provision as threatening the other portions of S. 1144 to which Chafee is strongly committed.





Senate EPW Committee Passes Conformity Measure

On September 29, 1999 the Senate Environment and Public Works Committee took the first step toward providing necessary relief for transportation plans in the nation's non-attainment areas. The committee voted 10-8 (along strict party lines) to pass S. 1053, a measure to restore needed flexibility provisions for transportation plans in areas charged with meeting Clean Air Act air quality attainment goals.

While the Senate committee has at least held hearings and voted out S. 1053, little other activity has occurred on this issue. Concern about states "cheating" under the more flexible transportation conformity regulations that S. 1053 would restore are echoed on both sides of the Capitol. In the House, Congressman James Talent (R-MO) has filed the companion legislation to S. 1053. His bill, H.R. 1876, has been referred to the House Commerce Committee, but no action has been taken on the bill thus far.



AIP Authorization Extended

On Monday, September 27, 1999, the House passed a \$290 million airport construction authorization bill (S. 1637), clearing the measure for the president's signature. The bill

provides the authorization necessary for the FAA to release the construction funds already appropriated for the remainder of Fiscal Year 1999. The bill will free up some \$3.7 million in funding for Texas' general aviation and reliever airports.

On October 4, 1999, the Senate finally began debate on S. 82, its multi-year FAA authorization bill. If the Senate passes S. 82, intense negotiations with the House could begin to develop a compromise bill.



TxDOT Welcomes New Washington Representative

At the beginning of September, TxDOT's Legislative Affairs Office added additional talent to its Federal Legislative Affairs Section. Mr. Joseph L. Guzzo is TxDOT's new Washington Representative. Guzzo works out of the Washington, D.C., office of the Texas Office of State-Federal Relations.

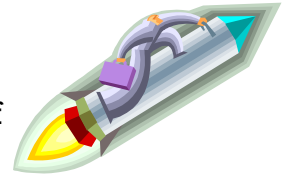
House Approves National Motor Carrier Safety Administration Bill

On October 14, 1999 the House voted 415-5 to create the National Motor Carrier Safety Administration (NMCSEA) with passage of H.R. 2679, the Motor Carrier Safety Act. Effective October 1, 2000, this measure would move the administration of the nation's motor carrier safety programs currently managed by the Federal Highway Administration into a completely separate agency within the U.S. Department of Transportation.



Smith Ascends to Chair of Senate EPW Committee

In the wake of the sudden death of Rhode Island Senator and Environment and Public Works Committee Chairman John Chafee (R) on October 24, 1999, Senate Republicans have named New Hampshire Senator Robert C. Smith to lead the committee. Smith's selection as committee chairman came soon after he announced on November 1, 1999 his return to the Republican Party.



H.R. 1000 Is Dead for This Session

Although the House-Senate Conference on H.R. 1000, the FAA authorization bill, met for several weeks this fall, the conferees were unable to develop an agreeable compromise for passage this year. This situation leaves both small and large airports across the nation without continued AIP funding until Congress finally succeeds in passing a long-term authorization measure for the nation's aviation programs.

The current fiscal year began October 1 without any continued authorization for funding of FAA programs, including the AIP, which provides money for Texas' general aviation and reliever airport program. After passage of the FY 2000 omnibus spending measure this weekend, Congress ended its work for the year. Rather than allow the nation's aviation programs to go without funding until a long-term reauthorization bill is passed, the Senate last week passed S. 1916, yet another short-term extension of FAA program funding authority. However, instead of adding the measure to the omnibus spending bill, the House chose to allow the funding to lapse until next spring.

